GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:1935
ANSWERED ON:14.03.2017
Non-Payment of Gratuity and Arrears by HEC
Choudhary Shri Ram Tahal

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Government has received several complaints of nonpayment of gratuity and revised arrears by the Heavy Engineering Corporation, Ranchi to its retired employees;
(b) if so, the details of the complaints received during the last two years;
(c) the gratuity and revised arrears currently due to be paid to the said retired employees; and
(d) the measures taken by the Government to pay the above said dues?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI BABUL SUPRIYO)

(a): Department of Heavy Industry has been receiving complaints of non-payment of gratuity and pay revision arrears by the Heavy Engineering Corporation (HEC), Ranchi to its retired employees. These complaints are forwarded to the Company for appropriate action and redressal of grievances.

(b): As reported by HEC, twenty such complaints have been received by them through the Department during the last two years.

(c): HEC has informed that the payment of gratuity to employees separated upto 31st March, 2014 has already been done except in a few deficient cases, due to specific technical reasons. Outstanding liabilities on account of gratuity payable to retired employees are Rs.50.28 crore. The same hasn't been paid due to acute financial crisis faced by the Company. However, in case of daughter's marriage, medical treatment of self and spouse, children's higher education and remittance of bank's outstanding loans, part payment of gratuity to ex-employees is being done, as per availability of funds.
Regarding the payment of arrears on account of wage revision 1992 & 2007, a total of Rs.3.71 crore and Rs.24.70 crore (Approx.) respectively are outstanding.

(d): HEC is a company registered under the Companies Act, with a separate legal identity under the Law. The Company is primarily responsible for managing all its affairs independently including meeting expenses related to its employees. Government of India being promoter of the company, has provided financial assistance to the Company in past from time to time in the form of loan, with a view to mitigate the hardship faced by their retired employees due to non-payment of gratuity timely. In the year 2014-15, a loan of Rs.47.89 crore was provided to the company for settlement of outstanding statutory dues (like gratuity etc.) of its employees.

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